

Senate Estimates on the National Broadband Network

Answers to Questions on Notice

Public Hearing 20 November 2014

Communications Portfolio

Department of Communications

Question No: 214

Program No. NBN Co

Hansard Ref: In writing

Topic: CBA – SSCNBN QoN 8 – October 2014

Senator Urquhart asked:

Answer to Question on Notice No. 8 from the 3 October 2014 public hearing of the Senate Select Committee on the NBN states “the data provided in the Strategic Review is in calendar year terms. For the Cost-Benefit Analysis (CBA), that data was placed on a financial year basis. There is no difference in the timing of deployment between the Strategic Review and the CBA, and the apparent difference in dates arises purely from the use of a financial years basis. For FTTP, the rollout is completed in CY2023, which is the same as FY2024.”

- (a) The Strategic Review states that the rollout completion date for the MTM is CY2020 (e.g. on page 99). The Cost Benefit Analysis states that the rollout completion date for the MTM is 2020 (Table 4.2, page 44). But according to the above answer, the Cost Benefit Analysis should have expressed the rollout completion date for the MTM on a financial years basis (i.e. 2021). How does the panel reconcile this discrepancy?
- (b) The Strategic Review states that the rollout completion date for the Revised Outlook is FY2024. Financial year timeframes are used elsewhere in the document as well. The Strategic Review also states that the analysis of the Revised Outlook was based on NBN Co’s 2012-15 Corporate Plan, which is based on financial years. How can the panel maintain that “the data provided in the Strategic Review is in calendar year terms” when for FTTP it was based on data in financial year terms?
- (c) Deployment timeframe is a critical assumption for the outcome of the Cost Benefit Analysis (see page 60, esp. Chart 6.2). Why was the panel unable to clarify the rollout end date for the FTTP Scenario at the 3 October 2014 public hearing of the Select committee?
- (d) Did the Cost Benefit Analysis push back the rollout completion date for the FTTP Scenario beyond CY2023?

Answered by the Department of Communications (Program 1.1):

The Cost-Benefit Analysis and the Strategic Review used consistent timing. The starting point for the BCA model was the spreadsheets used by the Strategic Review. All elements of timing remain the same as those in the Strategic Review spreadsheets provided to the panel by NBN Co.